

AR18

# **A SPECIAL REPORT-**

# **GOLD**

**and**



**NORTH BORDULAC MINES LIMITED**





*File*  
**NORTH BORDULAC MINES LIMITED**

SUITE 715 – 159 BAY STREET – TORONTO 1, ONTARIO

**DIRECTORS REPORT TO THE SHAREHOLDERS**

Shareholders are being asked to approve a consolidation of capital of the shares of North Bordulac Mines Limited and a change in the name of the company to Gold Hawk Exploration Limited. The basis of the proposed exchange will be one share of the new company for each two North Bordulac presently outstanding. The purpose of the reorganization is to facilitate financing the company and to facilitate the company's intention to list the shares on a recognized Canadian Stock exchange.

Drilling has been stopped on the company's gold property in Dasserat, Quebec since our recent efforts have been successful in indicating and inferring additional tonnages which were outlined in our last report to the shareholders. Arrangements have been made for a new headframe and all future work on this property will be from underground.

Preliminary discussions have been held with Kerr Addison Mines Limited as to their feelings toward taking the North Bordulac ore should production be achieved by North Bordulac. While no details have yet been worked out we are assured by officers of Kerr Addison that they will be happy to custom mill any ore which we are able to deliver to them. The fact that North Bordulac will never have to build the mill could be of great significance in the economics of this deposit.

Negotiations are underway for the acquisition of another gold exploration bet in the Larder Lake area some 10 miles west of our present property. We intend to maintain our identity with gold and to try to build up ore reserves and cash reserves in anticipation of what we consider the inevitable rise in the price of gold.

ON BEHALF OF THE BOARD

NORTH BORDULAC MINES LIMITED

Charles D. Robbins,  
President.

# NORTH BORDULAC MINES LIMITED

SUITE 715 – 159 BAY STREET – TORONTO 1, ONTARIO

## NOTICE OF GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that a General Meeting of the Shareholders of North Bordulac Mines Limited will be held in the York Room at the Royal York Hotel, Toronto, on Wednesday, the 15th day of October 1969, at the hour of 10 o'clock in the forenoon, Toronto time, for the following purposes:

1. To consider and if deemed advisable, to confirm with or without variation so that same shall become a special resolution of the Company, a resolution passed by the Board of Directors of the Company, authorizing an application for the issue of supplementary letters patent reorganizing the capital of the Company on the basis of one new share for each two shares presently issued and changing the name of the Company to GOLD HAWK EXPLORATION LIMITED or such other name as shall be acceptable to the Provincial Secretary for the Province of Ontario; full particulars of which are set forth in the information circular which accompanies this notice. A copy of the said resolution also accompanies this notice.
2. The transaction of such other business as may properly come before the said meeting or any adjournment thereof.

Shareholders unable to be present in person at the meeting may vote thereat by means of the instrument of proxy enclosed herewith or by any other appropriate instrument of proxy. If using the instrument of proxy hereto enclosed, sign and date same and return it to the Company's Transfer Agent in the envelope provided for that purpose.

An information circular accompanies this notice.

DATED at Toronto, Ontario, this 26th day of September, 1969.

BY ORDER OF THE BOARD

CLINTON C. CASSELMAN

Secretary-Treasurer



## **NORTH BORDULAC MINES LIMITED**

WHEREAS NORTH BORDULAC MINES LIMITED (hereinafter called the "Company") was incorporated under the laws of the Province of Ontario by letters patent dated May 4, 1945 under the name of BORDULAC MINES LIMITED and supplementary letters patent have been issued to the Company dated respectively April 17, 1953, April 19, 1963 and April 6, 1965;

AND WHEREAS the authorized capital of the Company is \$6,000,000.00 divided into 6,000,000 shares with a par value of \$1.00 each, of which 3,880,250 shares have been issued and are outstanding as fully paid;

AND WHEREAS it is considered necessary and expedient in the interest of the Company to reorganize the capital of the Company on the basis of one new share for each two shares presently issued and to subsequently change the name of the Company;

NOW THEREFORE BE IT RESOLVED as follows:

1. The Company be and it is hereby authorized to make application to the Lieutenant-Governor of the Province of Ontario for the issue of supplementary letters patent
  - (a) decreasing the authorized capital of the Company by the cancellation pro rata of 1,940,125 issued shares of the par value of \$1.00 each in the capital of the Company and subsequently increasing the authorized capital of the Company to 5,000,000 shares of the par value of \$1.00 each by the creation of an additional 940,125 shares of the par value of \$1.00 each ranking in all respects on a parity with the then existing 1,940,125 issued and 2,119,750 unissued shares of the par value of \$1.00 each in the capital of the Company.
  - (b) changing the name of the Company to "Gold Hawk Exploration Limited" or such other name as is acceptable to the Provincial Secretary for the Province of Ontario.
2. The directors and/or the proper officers of the Company be and they are hereby authorized and directed on behalf of the Company to sign and execute all documents and do all things necessary or advisable in connection with the foregoing.

## **INFORMATION CIRCULAR**

This circular is furnished in connection with the solicitation of proxies by management of North Bordulac Mines Limited (hereinafter sometimes called the "Company") for use at the general meeting of shareholders of the Company to be held on Wednesday, the 15th day of October, 1969 in the York Room, Royal York Hotel, Toronto, Ontario, for the purposes set forth in the foregoing notice of meeting.

## **RIGHT OF REVOCATION**

A shareholder executing the enclosed proxy has the power to revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing deposited either at the head office of the Company at any time up to and including the last business day preceding the day of the meeting or any adjournment thereof at which the proxy is to be used or with the chairman of such meeting on the day of the meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked.

## **PERSONS MAKING SOLICITATION AND METHOD THEREOF**

The enclosed proxy is solicited by the management of the Company and the cost of solicitation will be borne by the Company. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular employees of the Company at nominal cost.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

Only shareholders of the Company of record at the time of meeting will be entitled to vote at the meeting. Each share of the Company is entitled to one vote. The Company has only one class of shares. At September 26, 1969 the Company had outstanding 3,880,250 shares of the par value of \$1.00 each all as fully paid.

To the knowledge of the directors and senior officers of the Company, no person or Company is the beneficial owner, directly or indirectly, of equity shares of the Company which carry more than 10% of the voting rights attached to all equity shares of the Company.



## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Pursuant to an underwriting agreement dated April 24, 1969, Quoddy Investment Co. Limited, 159 Bay Street, Toronto, Ontario, as to 50% interest and W.D. Latimer Co. Limited, Toronto, Ontario, acting on behalf of its client, Richfield Securities Limited, Toronto, Ontario, as to the remaining 50% interest, took down and paid for 300,000 shares in the capital of the Company at the price of 15¢ per share. The shares underwritten by Quoddy Investment Co. Limited were subsequently distributed at an average price of approximately 17 cents per share. Charles Dudley Robbins, the President and a director of the Company, is the controlling shareholder of Quoddy Investment Co. Limited.

## **PARTICULARS OF MATTERS TO BE ACTED UPON AND DISCRETIONARY AUTHORITY**

The forthcoming meeting has been called as a general meeting of the shareholders of the Company so that the shareholders of the Company might consider and, if deemed advisable, approve a reorganization of the capital of the Company on the basis of one new share for each two shares presently issued. Since such reorganization requires a decrease in the authorized capital of the Company, it will also be necessary to change the name of the Company. The new name proposed by management is GOLD HAWK EXPLORATION LIMITED or such other name as shall be acceptable to the Provincial Secretary for the Province of Ontario. Such an application for supplementary letters patent must be authorized by special resolution, which is a resolution passed by the directors of the Company and confirmed by at least a two-thirds (2/3) majority of the votes cast at a general meeting of the shareholders of the Company called for that purpose. A copy of the formal special resolution accompanies this information circular and shareholders are specifically referred thereto for full particulars.

## MANNER OF VOTING PROXIES

THE SHARES REPRESENTED BY PROXIES RECEIVED BY THE MANAGEMENT WILL BE VOTED AND WILL BE VOTED IN ACCORDANCE WITH THE STATEMENTS MADE HEREIN. IT IS INTENDED THAT THE ACCOMPANYING INSTRUMENT OF PROXY, IF SIGNED, DATED AND RETURNED TO THE COMPANY PRIOR TO THE MEETING AND COMPLETED IN THE NAMES OF THE PERSONS THEREIN NAMED, WILL BE VOTED IN FAVOUR OF CONFIRMATION OF THE SPECIAL RESOLUTION AUTHORIZING AN APPLICATION FOR SUPPLEMENTARY LETTERS PATENT REORGANIZING THE CAPITAL OF THE COMPANY AND CHANGING ITS NAME TO "GOLD HAWK EXPLORATION LIMITED" (OR SUCH OTHER NAME AS SHALL BE ACCEPTABLE TO THE PROVINCIAL SECRETARY FOR THE PROVINCE OF ONTARIO). WHERE THE PERSON OR COMPANY WHOSE PROXY IS SOLICITED SPECIFIES A CHOICE WITH RESPECT TO SAME, THE SHARES REPRESENTED BY THE PROXY SHALL, SUBJECT TO THE PROVISIONS OF SECTION 105, THE SECURITIES ACT, 1966 (ONTARIO) AND THE REGULATIONS THEREUNDER, BE VOTED IN ACCORDANCE WITH THE SPECIFICATIONS SO MADE. WHERE A CHOICE IS NOT SO SPECIFIED, IT IS INTENDED TO VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF CONFIRMATION OF THE SPECIAL RESOLUTION AUTHORIZING AN APPLICATION FOR SUPPLEMENTARY LETTERS PATENT REORGANIZING THE CAPITAL OF THE COMPANY AND CHANGING ITS NAME TO "GOLD HAWK EXPLORATION LIMITED" (OR SUCH OTHER NAME AS SHALL BE ACCEPTABLE TO THE PROVINCIAL SECRETARY FOR THE PROVINCE OF ONTARIO).

CHARLES D. ROBBINS AND CLINTON C. CASSELMAN NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY ARE OFFICERS OF THE COMPANY. A SHAREHOLDER HAS THE RIGHT TO APPOINT ANY PERSON OTHER THAN THOSE NAMED TO REPRESENT HIM AT THE MEETING, AND IF USING THE ACCOMPANYING INSTRUMENT SHOULD STRIKE OUT THE PRINTED NAMES AND INSERT THE NAME OF HIS NOMINEE IN THE SPACE PROVIDED THEREFOR. A SHAREHOLDER MAY SUBMIT ANY OTHER APPROPRIATE INSTRUMENT OF PROXY.

DATED as of this 26th day of September, 1969.









AR18

file

NORTH BORDULAC MINES LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 1968

G. H. WARD & PARTNERS  
*Chartered Accountants*





# G.H. WARD & PARTNERS

BROCKVILLE	OWEN SOUND
CHATHAM	PETERBOROUGH
ESSEX	PORT ELGIN
GANANOQUE	RIDGETOWN
GUELPH	ST. CATHARINES
HANOVER	WALKERTON
KITCHENER	WELLAND
LINDSAY	WIARTON
OTTAWA	WOODSTOCK

*Chartered Accountants*

111 RICHMOND STREET W  
TORONTO 1  
TEL 363-5735

## AUDITORS' REPORT

To the Shareholders,  
North Bordulac Mines Limited.

We have examined the balance sheet of North Bordulac Mines Limited as at December 31, 1968 and the statements of deficit, deferred exploration expenditures, deferred administrative expenditures and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1968 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

*G. H. Ward & Partners*

TORONTO, Canada  
February 11, 1969

Chartered Accountants





NORTH BORDULAC MINES LIMITEDBALANCE SHEETAt December 31, 1968

(With comparative amounts as at December 31, 1967)

	<u>1968</u>	<u>1967</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 29,322	\$ 13,439
Marketable securities, at cost (market value 1968 - \$ 85,950; 1967 - \$ 885)	57,348	900
Prepaid expenses	<u>3,824</u>	<u>          </u>
	<u>90,494</u>	<u>14,339</u>
FIXED ASSETS - at cost (note 2)		
Mine buildings	18,397	18,397
Machinery and equipment	<u>41,565</u>	<u>41,986</u>
	<u>59,962</u>	<u>60,383</u>
MINING CLAIMS - at cost (statement 6)	<u>110,885</u>	<u>99,935</u>
DEFERRED EXPENDITURES		
Exploration - at cost less amounts written off for abandoned claims (statement 4)	704,630	606,467
Administration - at cost (statement 5)	157,207	109,336
Organization - at cost	<u>7,451</u>	<u>7,451</u>
	<u>869,288</u>	<u>723,254</u>
	<u>\$ 1,130,629</u>	<u>\$ 897,911</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 24,005</u>	<u>\$ 19,539</u>
<u>SHAREHOLDERS' EQUITY</u>		
CAPITAL STOCK (notes 1 and 2)		
Authorized:		
6,000,000 shares of \$ 1 par value \$ 6,000,000		
Issued and fully paid (statement 6):		
3,580,250 shares (1967 - 2,230,250)	3,580,250	2,230,250
Less discount thereon	<u>2,348,503</u>	<u>1,266,003</u>
	<u>1,231,747</u>	<u>964,247</u>
DEFICIT (statement 2)	<u>125,123</u>	<u>85,875</u>
	<u>1,106,624</u>	<u>878,372</u>
	<u>\$ 1,130,629</u>	<u>\$ 897,911</u>

See the accompanying notes to these financial statements.

Approved by the Board:

"Charles D. Robbins" Director

"C. C. Casselman" Director





NORTH BORDULAC MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

At December 31, 1968

1. During the year ended December 31, 1968 the following additional capital stock was issued:
  - (a) Pursuant to an underwriting and option agreement dated November 28, 1967, 1,000,000 shares were issued for \$ 210,000 cash.
  - (b) Pursuant to an agreement dated December 18, 1967, 150,000 shares were issued at 5 cents per share as partial consideration for the purchase of five mining exploration permits in the Republic of Costa Rica.
  - (c) Pursuant to an underwriting and option agreement dated May 3, 1968, 200,000 shares were issued for \$ 50,000 cash.
2. Of the 3,580,250 issued and fully paid shares a total of 150,000 shares have been recovered by the company in connection with the abandonment of the five mining permits in the Republic of Costa Rica. These shares are now being held in trust for the benefit of the treasury of the company.
3. Because production has not yet commenced the company has not provided for depreciation of mine buildings and machinery and equipment from inception of the company on May 3, 1945 to December 31, 1968.
4. During the year ended December 31, 1968 remuneration paid or payable to directors and senior officers amounted to \$ 1,200. During the year ended December 31, 1967 no remuneration was paid or payable to directors and senior officers.





NORTH BORDULAC MINES LIMITEDSTATEMENT OF DEFICITFor the year ended December 31, 1968

(With comparative amounts for the year ended December 31, 1967)

	<u>1968</u>	<u>1967</u>
Deficit at beginning of year	<u>\$ 85,875</u>	<u>\$ 82,526</u>
Add (deduct):		
Cost of mining claims and exploration permits abandoned during year	27,750	
Deferred exploration expenditures on abandoned mining claims and exploration permits	13,774	
Loss (gain) on sale of investments	<u>(2,276)</u>	<u>3,349</u>
	<u>39,248</u>	<u>3,349</u>
Deficit at end of year	<u><u>\$ 125,123</u></u>	<u><u>\$ 85,875</u></u>

See the accompanying notes to these financial statements.



NORTH BORDULAC MINES LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSFor the year ended December 31, 1968

(With comparative amounts for the year ended December 31, 1967)

	<u>1968</u>	<u>1967</u>
Source of Funds:		
Issue of capital stock	\$ 260,000	\$ -
Gain on sale of investments (note)	2,276	-
Investment income	896	1,075
Disposal of fixed assets	<u>600</u>	<u>-</u>
	<u>263,772</u>	<u>1,075</u>
Application of funds		
Acquisition of mining claims and options	31,200	250
Diamond drilling	63,572	6,813
Engineering and other fees	23,963	2,309
Other exploration expenditures	23,913	3,814
Administrative expenditures	48,767	6,539
Purchase of fixed assets	668	1,342
Loss on sale of investments (note)	<u>-</u>	<u>3,349</u>
	<u>192,083</u>	<u>24,416</u>
Increase (decrease) in working capital	71,689	(23,341)
Working capital (deficiency) at beginning of year	<u>(5,200)</u>	<u>18,141</u>
Working capital (deficiency) at end of year	<u>\$ 66,489</u>	<u>\$ (5,200)</u>

Note: Investments have been classified as current assets. Hence, only gains or losses on disposal affect working capital.

See the accompanying notes to these financial statements.





NORTH BORDULAC MINES LIMITEDSTATEMENT OF DEFERRED EXPLORATION EXPENDITURESFor the year ended December 31, 1968

	Balance January 1, 1968	Expenditures during year	Written off re abandoned claims	Balance December 31, 1968
Assays, maps and reports	\$ 7,650	\$ 2,033	\$ 166	\$ 9,517
Boarding house expense	25,453			25,453
Camp expense	16,817	1,551	54	18,314
Camp transportation	15,146	1,361	1,791	14,716
Diamond drilling	161,757	63,572	5,405	219,924
Engineering and other fees	24,708	23,963	2,458	46,213
Gas, oil and grease	28,803			28,803
Geophysical and other surveys	22,713	10,924	1,026	32,611
Hardware	5,195	31		5,226
Insurance	16,693	248		16,941
Light, heat and power	616		114	502
Line cutting	1,420	1,087	1,020	1,487
Loss on disposal of equipment	-	489		489
Machinery repairs and expense	31,357			31,357
Postage	139			139
Powder and caps	14,467			14,467
Prospecting	6,367		221	6,146
Road construction	7,669	788	788	7,669
Taxes and licences	18,254	1,459	623	19,090
Telephone and telegraph	814			814
Travel	10,925	2,511		13,436
Unemployment insurance	990	12		1,002
Vacation pay	448			448
Wages	179,723	1,908	108	181,523
Workmen's compensation	8,343			8,343
	<u>\$ 606,467</u>	<u>\$ 111,937</u>	<u>\$ 13,774</u>	<u>\$ 704,630</u>

See the accompanying notes to these financial statements.





NORTH BORDULAC MINES LIMITEDSTATEMENT OF DEFERRED ADMINISTRATION EXPENDITURESFor the year ended December 31, 1968

	Balance January <u>1, 1968</u>	Expenditures during <u>year</u>	Balance December <u>31, 1968</u>
Accounting, audit and legal fees	\$ 27,609	\$ 21,781	\$ 49,390
Brokerage on treasury stock issues	5,291		5,291
Executive salaries	18,925	1,200	20,125
Interest - bank and other charges	5,913	14	5,927
Interest - other	5,535		5,535
Office and miscellaneous expense	7,446	2,248	9,694
Office rent	590	1,263	1,853
Printing stationery and postage	7,551	322	7,873
Shareholder reports and other public relations	4,206	10,605	14,811
Taxes and listing fees	4,034	547	4,581
Telephone and telegraph	3,770	1,306	5,076
Transfer agent fees and share certificates	14,056	2,970	17,026
Travel	<u>7,884</u>	<u>6,511</u>	<u>14,395</u>
	<u>112,810</u>	<u>48,767</u>	<u>161,577</u>
Deduct investment income			
Interest	694	896	1,590
Dividends	<u>2,780</u>		<u>2,780</u>
	<u>3,474</u>	<u>896</u>	<u>4,370</u>
	<u>\$ 109,336</u>	<u>\$ 47,871</u>	<u>\$ 157,207</u>

See the accompanying notes to these financial statements.



NORTH BORDULAC MINES LIMITEDSCHEDULES OF MARKETABLE SECURITIES, MINING CLAIMS AND CAPITAL STOCK

As at December 31, 1968

MARKETABLE SECURITIES

	Par value or number of shares	December 31, 1968		December 31, 1967	
		Market value	Cost	Market value	Cost
Province of Quebec bond 3% October 1, 1970	\$ 1,000	\$ 885	\$ 900	\$ 885	\$ 900
Agassiz Mines Limited common shares	79,500	85,065	56,448		
		<u>\$ 85,950</u>	<u>\$ 57,348</u>	<u>\$ 885</u>	<u>\$ 900</u>

MINING CLAIMS

	Acquired for shares		Acquired for cash	Total
	No. of shs	Amount		
Dasserat Township, P.Q.				
Group I 22 claims	125,000	\$ 25,000	\$ 50,000	\$ 75,000
Group II 19 claims	1,875	7,500	1,585	9,085
Group III 3 claims			600	600
Cadillac Township, P.Q.				
Group I 8 claims			20,000	20,000
Group II 30 claims			1,200	1,200
Pershing and Vanquelin Townships (50% interest)				
Group I 155 claims			5,000	5,000
	<u>126,875</u>	<u>\$ 32,500</u>	<u>\$ 78,385</u>	<u>\$ 110,885</u>

CAPITAL STOCK ISSUED AND FULLY PAID AND DISCOUNT THEREON

<u>Consideration</u>	<u>No. of shs</u>	<u>Par value</u>	<u>Discount</u>	<u>Net value</u>
Cash	3,421,930	\$ 3,421,930	\$ 2,237,218	\$ 1,184,712
Machinery	17,750	17,750	9,171	8,579
Mining claims	139,375	139,375	101,875	37,500
Prospecting services	1,195	1,195	239	956
	<u>3,580,250</u>	<u>\$ 3,580,250</u>	<u>\$ 2,348,503</u>	<u>\$ 1,231,747</u>

See the accompanying notes to these financial statements.





# HIGHLIGHTS

## NORTH BORDULAC MINES LIMITED

- Combined tonnage, indicated and inferred by underground development and drilling from surface and underground, of 1,380,000 tons of gold bearing material, on two properties in known gold mining areas.
- Underground work on both properties - in Dasserat, Quebec head frame, service buildings, bunk house, cook house and office - total replacement value well over \$2,500,000.00 on the two properties.
- Additional tonnages possible at depth on both properties.
- Now drilling other zones in Cadillac, Quebec.
- Expense of a mill highly unlikely on either property due to nearby deposits owned by major companies (Kerr-Addison, Falconbridge, Noranda).
- In the event of a gold boom, the properties are right in the middle of one of Canada's most prolific gold camps, the Kirkland Lake, Noranda, Val d'Or complex.
- Highways, power, rail and air transportation, living accommodations and a large skilled labor pool close at hand.
- Company managed by an experienced exploration team, with a proven record of success - and - very staunch believers in the future of gold.
- The ratio of indicated gold reserves in the ground, to the number of shares outstanding, compares favourably with any developing gold situation in Canada.
- There are over 2.5 million unissued shares remaining in the company's treasury for future financing.
- Properties are owned by the company under development licences.

## GOLD

During the past 18 months we have all read a great deal of copy re the pros and cons of gold as a medium of monetary exchange and discipline.

Out of the confusion, these past months have given us three undeniable facts:

1) The price of gold on the free market is \$43.00 U.S. per ounce, some 22% above the official price.

2) The United States dollar, and coins, are no longer backed by gold and silver.

3) The prices of consumer goods and labour are higher than they were 18 months ago.

When you add to this, the fact that the U.S. now holds only \$5.8 billion in uncommitted gold, (versus nearly \$40 billion in claims against its gold) and that South Africa is in a position to put the price of gold anywhere it wishes, almost at will - it does not take a great deal of imagination to foretell the future for gold.

The price must go higher, the only imponderable is when - I don't know, and neither do you, but it simply can not be far off.

Gold has been referred to as that "barbarous relic of the past" - partially true - what else can you buy today at "medieval" prices? Whether the U.S. economy is inflated or deflated the gold problem will persist, and get worse. What the U.S. needs is gold coming in, not going out, and the only thing that will bring it in is a much higher price.

North Bordulac has two gold deposits in Quebec, both with tonnages, both with considerable work done on them, and both in established mining camps. We believe that the value of our holdings will increase with the coming months.

## DASSERAT, QUEBEC



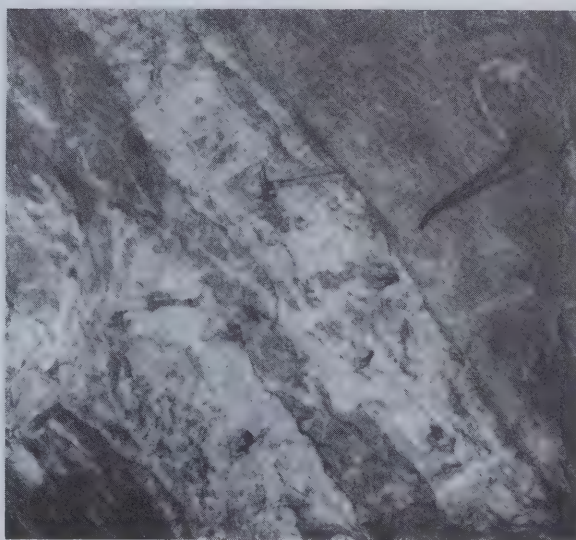
*AERIAL VIEW OF HEAD FRAME, HOIST, SERVICE BUILDING, OFFICE, BUNKHOUSE, COOKHOUSE*

Surface, underground drilling, and development work on two levels underground have indicated 460,000 tons grading 0.32 ounces gold per ton, with values in silver and tungsten. There are another 460,000 tons inferred of similar grade, making a total of 920,000 tons indicated and inferred. The zones are open at depth and have been only partially developed. There are additional narrow but very high grade zones which have only been developed short distances underground but which are known to be hundreds of feet long. Surface samples from some of these veins yielded values in the hundreds of ounces of gold, and limited development work underground on one of them has given high values. On the 1st level, for example, a 70 foot length averaged 0.80 ounces gold per ton over a width of 3 feet. While the tonnage from these veins would not be large, the high values could act as sweeteners, and the zones are within short distances of our main zones.

Another vein which was channel sampled on the 300 foot level underground averaged \$28.45 gold per ton (at \$35.00) over an averaged width of 25.5 inches for a drift length of 225 feet. When this zone is reduced to a mining width of 4 feet it averages 0.44 ounces gold over the 225 foot length. At present gold prices the gross value on the zone would be \$19.80 Canadian.

There has been a great deal of money spent on this property for drilling, underground development and the surface buildings are in excellent condition. Kerr Addison's Virginiatown mill (Canada's largest gold mine) is seven miles away and has ample room for additional tonnage from other properties due to the depletion of their own reserves.

At present prices for gold, the Dasserat property could operate at a small profit. We have decided to wait for higher gold prices.



*VEIN STRUCTURE UNDERGROUND 686 FEET EAST OF THE CROSSCUT*



EXCERPT FROM  
THE REPORT OF H. S. SCOTT

December 15th, 1947

on

NOTES ON DEVELOPMENT AT  
BORDULAC MINES LIMITED  
DURING THE SUMMER AND FALL  
OF 1947

Many surface assays have been added to those available at the time of the last examination. These and previous assays have been plotted on a base sheet (1 inch = 10 feet) enlarged from the geological surface plan of June, 1947. It should be noted that many samples shown as "grab" are substantial bulk samples. These will eventually be indicated as such on the plan. Moreover, most of the very high grade assays have been omitted, including values of 4.69, 4.88, 16.16, 18, 23.57, 999.09, 1305.99 and 1633.15 ounces of gold per ton. Such values nevertheless indicate the presence of important "sweeteners" in any ore recovered.



HEAD FRAME, DASSERAT, QUEBEC



NORTH BORDULAC OFFICE



COOK HOUSE



*VIEW FROM LABRINTH LAKE, DASSERAT, QUEBEC OF NORTH BORDULAC OFFICE, COOK HOUSE & BUNKHOUSE*



*VEIN AT LAKE DASSERAT, QUEBEC*



## CADILLAC, QUEBEC

Extensive surface and underground drilling and development work, performed by previous operators, and 5500 feet of surface diamond drilling done by North Bordulac, have indicated a potential tonnage of 460,000 tons grading 0.16 ounces gold per ton, plus minor values in silver on this property. These values include dilution and with the dilution factor taken into account compare very favourably with other deposits in the area. These figures have never been previously released. There are excellent chances for greater tonnages at depth. The nearby O'Brien Gold Mines operated below the 3000 foot level. Our property has a shaft to 1000 feet and five levels developed or partially developed. Our own drilling has intersected values at the 800 foot horizon.

Although the grade of this deposit is low, it is average for the camp, which has produced hundreds of millions of dollars worth of gold. What will ultimately be required is a large central mill to take ores from all of the adjoining and nearby properties. Tying on to us are the Kewagami Mines (Falconbridge controlled) Pandora Cadillac and Amm Cadillac (controlled by Upper Canada Mines) and nearby are Dumagami Mines (Noranda controlled) and the old Thompson Cadillac. All of these properties have tonnage situations of relatively low grade gold ore. This is one of the few areas in Canada with several properties that could become productive at higher gold prices, and not too much higher than present levels either.

In addition to our main zone in Cadillac, we have indicated a favourable structure to the north, on which geophysics has disclosed three E.M. conductors, two with coinciding magnetic anomalies. Since gold in this area is frequently identified with sulfides, we are now drilling the conductors. Any new discoveries by us, or by anyone in this area could spark the whole camp into renewed activity.

## OUTSIDE EXPLORATION

North Bordulac has under application two large mineral concessions in the Republic of Costa Rica. One is a sulphur concession, the other is a copper prospect on the Panamanian boundary. The copper concession is on the same geological structure as the recent large porphyry copper discovery made in Panama by the United Nations. Since there is now a scramble by large companies to obtain ground in this area, we hope to farm our property out to another company, retaining a carried interest for ourselves.

# NORTH BORDULAC'S DRILL RESULTS FROM ITS CADILLAC PROPERTY

<u>Hole No.</u>	<u>Footage</u>	<u>Core length (ft.)</u>	<u>Vert. depth (ft.)</u>	<u>Ozs. Au per ton</u>	<u>Ozs. Ag per ton</u>
68-1	342.9 - 345.4	3.5	325	1.00 (V.G.)	0.24
68-1	585 - 587.4	2.4	545	0.545 (V.G.)	0.20
68-1	620.5 - 623.5	3.0	578	0.20	0.06
68-1	643.8 - 662.4	18.6	605	0.226 (V.G.)	0.03
68-2	328.1 - 329.8	1.7	310	0.01 (V.G.)	Nil
68-2	459.4 - 460.4	1.0	430	0.42 (V.G.)	0.16
68-2	531.2 - 533.9	2.7	490	0.25 (V.G.)	0.40
68-3	867.5 - 873.1	5.6	750	0.22 (V.G.)	0.04
68-5	392 - 395.6	3.6	345	0.64	0.08
68-5	456.7 - 463.2	6.5	400	0.20 (V.G.)	0.04
68-5	498.2 - 499.3	1.1	430	0.22	0.18
68-6	601.5 - 602.1	0.6	515	0.20 (V.G.)	Nil
68-6	615.7 - 616.7	1.0	525	0.28 (V.G.)	Nil
68-7	337.9 - 339.5	1.6	290	1.40	0.20
68-7	408.2 - 409.2	1.0	350	1.23	0.20
68-7	437.4 - 457.8	20.4	380	0.32	0.12
68-7	466 - 467.8	1.8	395	1.47	0.36
68-8	719 - 721.8	2.8	645	0.23 (V.G.)	0.10
68-8	870.2 - 872.4	2.2	770	0.22	0.18
68-8	878.1 - 880.2	2.1	780	0.195	0.30
68-8	902.4 - 905	2.6	795	0.39	0.36

In addition to the above intersections, an earlier hole drilled in the same area intersected the following values.

<u>Footage</u>	<u>Core length</u>	<u>Ozs. Gold/ton</u>
405 - 415	10.0	1.61
430 - 441	11.0	0.22
505 - 510	5.0	0.32



NORTH BORDULAC MINES LIMITED

BALANCE SHEET

At December 31, 1968

(With comparative amounts as at December 31, 1967)

	<u>1968</u>	<u>1967</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 29,322	\$ 13,439
Marketable securities, at cost (market value 1968 - \$85,950; 1967 - \$885)	57,348	900
Prepaid expenses	3,824	----
	<u>90,494</u>	<u>14,339</u>
FIXED ASSETS - at cost		
Mine buildings	18,397	18,397
Machinery and equipment	41,565	41,986
	<u>59,962</u>	<u>60,383</u>
MINING CLAIMS - at cost	<u>110,885</u>	<u>99,935</u>
DEFERRED EXPENDITURES		
Exploration - at cost less amounts written off for abandoned claims	704,630	606,467
Administration - at cost	157,207	109,336
Organization - at cost	7,451	7,451
	<u>869,288</u>	<u>723,254</u>
	<u>\$1,130,629</u>	<u>\$ 897,911</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 24,005	\$ 19,539
<u>SHAREHOLDERS' EQUITY</u>		
CAPITAL STOCK		
Authorized:		
6,000,000 shares of \$1 par value \$6,000,000		
Issued and fully paid (statement 6):		
3,580,250 shares (1967 - 2,230,250)	3,580,250	2,230,250
Less discount thereon	2,348,503	1,266,003
	<u>1,231,747</u>	<u>964,247</u>
DEFICIT (Cost of mining claims & exploration)	125,123	85,875
	<u>1,106,624</u>	<u>878,372</u>
	<u>\$1,130,629</u>	<u>\$ 897,911</u>

Approved by the Board

"Charles D. Robbins" Director

"C. C. Casselman" Director

# NORTH BORDULAC MINES LIMITED

## OFFICERS

Charles Dudley Robbins, Toronto, Ontario, *President*  
Thain Hodgson MacDowell, Montreal, Quebec, *Vice-President*  
Clinton Charles Casselman, Toronto, Ontario, *Secretary Treasurer*

## HEAD OFFICE

Suite 715, 159 Bay Street, Toronto, Ontario

## CONSULTING ENGINEERS

H. J. Bergmann, Montreal, Quebec  
C. W. Archibald, Toronto, Ontario

## REGISTRAR AND TRANSFER AGENT

Canada Permanent Trust Company  
1901 Yonge Street, Toronto, Ontario

## SOLICITORS

Manley, Grant & Armstrong, Toronto, Ontario

## BANKERS

Canadian Imperial Bank of Commerce, Toronto, Ontario

## AUDITORS

G. H. Ward and Partners, Toronto, Ontario

## AUTHORIZED CAPITAL

6,000,000 common shares, \$1 par value

## ISSUED CAPITAL

3,580,250 shares

